

2002

ARKANSAS SHORT FORM - AR1000S INDIVIDUAL INCOME TAX RETURN AND INSTRUCTIONS

A Message to Arkansas Taxpayers

Arkansas continues to be one of the more successful states for Electronic Filing. Last year, over 429,000 Arkansas taxpayers filed their Arkansas return electronically including more than 42,700 taxpayers who filed electronically using the Internet. Electronic filing (e-file) accounted for 35% of all Arkansas returns filed. With limited exceptions, any taxpayer who can file a federal return electronically can also file an Arkansas return electronically. There is more good news for 2002. The IRS has expanded electronic filing which makes electronic filing a useful filing alternative for over 99% of taxpayers with more complex returns. Check with your tax preparer, or visit our web site at: www.accessarkansas.org/dfa/ for information about on-line e-file opportunities. You can also pay your income tax via credit card. This is available for both paper and electronic filed returns. See page 2 of this booklet for additional information. This booklet also contains an Arkansas Use Tax form for taxpayers to report out of state purchases made from catalogs or the Internet, and pay the Arkansas tax on these purchases.

There are several changes to federal income tax law for 2002 that have not been adopted as Arkansas income tax law. The changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 were enacted after the last regular Legislative Session, and have not been adopted as Arkansas Income Tax law. However, we expect the Legislature to consider adoption of federal law changes that affect IRA's, Pension Plans, and Deferred Compensation Plans early in the 2003 Legislative Session. If you made contributions in excess of current Arkansas limits for any of these plans, please do not file your return until the General Assembly addresses these tax changes. Recent changes to federal depreciation and expensing of property provisions found in the Job Creation and Workers Assistance Act of 2002 have not been adopted by Arkansas. For additional information on these federal changes, please read the Important Reminders on page 5.

Please use the helpful hints below when filing your tax return to speed up your refund and return processing.

- Use the 2002 income tax forms provided in this booklet.
- Use the peel-off label only if the information on it is correct.
- Attach all W-2 forms and required state and federal forms or schedules.
- Sign and date your return before mailing.
- Both husband and wife must sign when filing on the same return.
- File electronically, or mail your return early to ensure a quicker refund.
- Make sure you mail your return to the proper address. An incorrect address will delay processing your return.

For your convenience, we are assisting the Secretary of State's office by including the Arkansas Voter Registration Application in this booklet. This form can be used for new voter registrations or to update current registration information. If needed, complete the form and send it to the Secretary of State's office. **Please do not mail it to the Revenue Division or enclose it with your tax return.** We are also assisting the Attorney General's Office in locating missing children by including pictures of ten (10) missing children and information on who to contact if you have seen any of these children. There is also information on what to do if your child is missing.

We appreciate your suggestions and constructive criticism. We want to provide you the best service possible. Please mail your suggestions and comments to: Manager, Individual Income Tax Section, P.O. Box 3628, Little Rock, Arkansas 72203-3628. Thank you.

Sincerely,



Tim Leathers
Commissioner of Revenue

Important addresses for additional information and assistance:

Internet: www.accessarkansas.org/dfa/

E-Mail: individual.income@rev.state.ar.us



Governor Mike Huckabee

397207
State of Arkansas
State Income Tax
P. O. Box 1000
Little Rock, AR 72203-1000

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ARKANSAS

The State of Arkansas' automated telephone information system allows taxpayers to listen to recorded information about general filing information. It is recommended that you have your tax information on hand as well as a pencil to write down important information. The different services and telephone numbers are listed below:

Automated Refund Inquiry

(501) 682-0200 or 1 800 438-1992 (In Arkansas Only)

This service allows taxpayers with a touch tone telephone to check the current status of their refund. The system will ask for certain information from your tax return so be sure to have a copy of the return with you when you call. The average time to process a refund is approximately 6 to 8 weeks. This time can vary based on how early you filed your tax return or if you made any mistakes preparing the return. This service is available 24 hours a day, 7 days a week. This information is updated weekly.

Individual Income Tax Information Hot-Line

(501) 682-1100 or 1 800 882-9275 (In Arkansas Only)

This system is designed to allow taxpayers to access general information about filing 24 hours a day. Personal assistance will be available during our normal business hours (Monday through Friday 8:00 a.m. to 4:30 p.m.). The areas that can be reached by this system are as follows:

Taxpayer Assistance Branch	Refund Branch	Forms Branch	Amended Branch
Audit and Examination Branch	Delinquent Income Tax Branch		

Other Useful Telephone Numbers

Hearing Impaired Access for Information, Assistance and Forms(501) 682-4795

This number can only be reached by the use of a Text Telephone Device.

Tele-Tax

(501) 682-0200 or 1 800 438-1992 (In Arkansas Only)

In addition to the Tax Information Hot-Line, where you can access recorded general filing information, the State of Arkansas has a Tele-Tax information services where you can access more specific information. The list of subjects below are areas which taxpayers usually request additional information or explanation. If you have a touch-tone telephone, you will be able to enter the three-digit code to access additional information. This service is available 24 hours a day, 7 days a week.

TELE-TAX INFORMATION

Using a touch-tone telephone dial: (501) 682-0200 or 1 800 438-1992 (In Arkansas only); when prompted, enter the subject number.

#	FILING REQUIREMENTS	#	TAX COMPUTATION	#	NOTICES AND ERRORS
100	Who Must File?	600	Choosing the correct tax table	800	Taxpayer Bill of Rights
101	Which Form - AR1000, AR1000NR, AR1000S	601	Standard Deduction	801	Billing Procedures
102	When, where, and how to file	603	Tax credits, general	802	Penalty and interest charges
103	Which filing status?	604	Child care credit	803	Collections procedures
104	Dependents	608	Working Taxpayer credit		
106	Amended returns		GENERAL INFORMATION		
	INCOME DEFINITIONS	700	Substitute forms		
200	Wages, salaries and tips	701	Refunds - how long to wait		
201	Interest received	702	How to request copies of tax returns		
202	Dividends received	703	Extensions of time to file		
301	Nontaxable income	704	Penalty for underpayment		
		705	W-2 forms - what to do if not received		

APPLY TO REGISTER TO VOTE

In an effort to help distribute the voter registration form to the public, the Secretary of State's office has asked the Revenue Division to add the Arkansas Voter Registration Application form to its Income Tax booklet. The form is located on the next page.

ARKANSAS VOTER REGISTRATION APPLICATION

Check all that apply:

- ☐ This is a new registration.
☐ This is a name change.
☐ This is an address change.
☐ This is a party change.

Office Use Only

1	Mr. Mrs. Miss Ms.	Last Name	Jr. Sr.	First Name	Middle Name
			II. III. IV.		
2	Address Where You Live (See Section "C" Below) (P.O. Box or Rural addresses must draw map.)		Apt. #	City	County
					State ZIP Code
3	Address Where You Receive Mail		Apt. #	City	County
					State ZIP Code
4	Date of Birth ____/____/____	5	Home & Work Phone Numbers (Optional) (H) _____ (W) _____		6
					Driver's License / State ID (Optional) DL# _____ ID# _____
7	SS# or Last 4 Digits of SS# (Optional & Confidential)		8	Party Affiliation (Optional)	
				The information I have provided is true to the best of my knowledge. If I have provided false information, I may be subject to a fine of up to \$10,000 and/or imprisonment of up to 10 years under state and federal laws.	
<div style="display: flex; justify-content: space-between;"> <div> 9 I Swear / Affirm That: • I am a U.S. citizen and an Arkansas Resident. • I am or will become age 18 before the next election. • I am not presently adjudged mentally incompetent by a court of competent jurisdiction. • I have not been convicted of a felony without my sentence having been discharged or pardoned. • I do not claim the right to vote in another county or state. </div> <div style="text-align: right;"> SIGN HERE </div> </div>					
10	If the applicant is unable to sign his/her name, the name, address and phone of the person providing assistance:				Date: ____/____/____ Month Day Year

Please complete the sections below if:

- You were previously registered in another county or state, or
- You wish to change the name or address on your current registration.

Agency Code (For Official Use Only)

A	Mr. Mrs. Miss Ms.	Previous Last Name	Jr. Sr.	First Name	Middle Name
			II. III. IV.		

Date of Birth ____/____/____

B	Previous House Number and Street Name	Apt. #	City	County	State	ZIP Code

If you live in a rural area but do not have a house or street number, or if you have no address, please show on the map where you live.

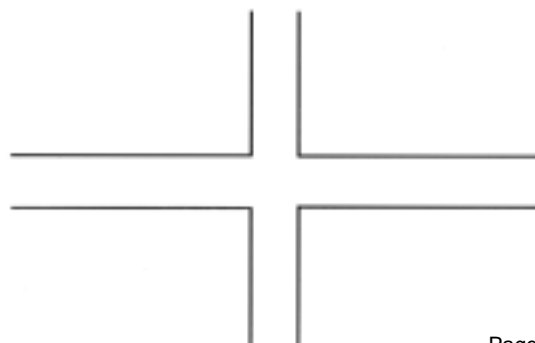
NORTH ▲

- C**
- Write in the names of the crossroads (or streets) nearest where you live.
 - Draw an "X" to show where you live.
 - Use a dot to show any schools, churches, stores or other landmarks near where you live and write the name of the landmark.

Example

• Grocery Store	
Woodchuck Road	
• Public School	X

Route #2



FORM AR1000S

There are three types of returns for individuals. Form AR1000NR is used by nonresidents and part-year residents. Form AR1000 and Form AR1000S are used by full year residents. All full year residents may use Form AR1000, but you may save time if you are able to use Form AR1000S instead. However, some people must use Form AR1000 as explained below.

IF YOU ARE:

- Single
- Married
- Head of Household
- Married filing separately on the same return
- Qualifying Widow(er) with dependent child

YOU MAY USE FORM AR1000S IF:

- You are a full year Arkansas resident, **and**
- Your income is only from wages, salaries, tips, interest, dividends, and miscellaneous income (See Line 10 instructions for examples of miscellaneous income), **and**
- You do not itemize your deductions, **and**
- Your only credits are:
 - a) Personal tax credits
 - b) Working Taxpayer Credit
 - c) Child and Dependent Care Expenses or Early Childhood Program Credits.

YOU MUST USE FORM AR1000 IF:

- You file as Married filing separately on different returns (Filing Status 5).
- You had income other than wages, salaries, tips, interest, dividends, and miscellaneous income, such as pension or annuity income, gain from the sale of property, barter income, alimony, or self employment income (including farm income).
- You claim a \$6,000 exemption for military compensation pay.
- You claim a \$6,000 exemption for an employer pension plan, qualified IRA and/or U. S. Armed Forces retirement.
- You are a minister claiming a housing allowance.
- You file Federal Schedules C or CE-Z, D, E, or F.
- You file Federal Form 2555, Foreign Earned Income.
- You must pay tax on an individual retirement account (IRA) and file Federal Form 5329, Return for IRA and Qualified Retirement Plan Taxes.
- You claim adjustments to gross income for payments to a Keogh plan, forfeited interest penalty for premature withdrawal, alimony paid, border city exemption, moving expense or payments to an IRA.
- You have capital gain income for 2002.
- You itemize your deductions.
- You file Form AR1000TD, Tax on Lump Sum Distributions.
- You claim credits against your tax for the:
 - a) Other States Tax Credit
 - b) State Political Contributions Credit
 - c) Adoption Expense Credit
 - d) Phenylketonuria Disorder Credit, or
 - e) Business and Incentive Tax Credit.
- You made estimated tax payments.
- You file Form AR2210, Underpayment of Estimated Tax by Individuals.
- You want to apply any part of your 2002 refund to your estimated taxes for 2003.

IMPORTANT TAX INFORMATION FOR 2002

EFFECT OF RECENT FEDERAL INCOME TAX CHANGES ON ARKANSAS TAXPAYERS WITH IRA'S, EDUCATION IRA'S, PENSION PLANS, AND DEFERRED COMPENSATION PLANS

Congress recently amended several provisions of federal income tax law concerning IRA's, education IRA's, pension plans, and deferred compensation plans. Arkansas previously adopted the federal law in these areas. Arkansas law prohibits the automatic adoption of these federal law changes. This creates problems for taxpayers who must now comply with two sets of laws with regard to their IRA, pension plan, or deferred compensation plan. To address these problems prior to the 2003 legislative session, the Department of Finance and Administration (DFA) will implement the following plan:

- Draft the 2002 state income tax forms and instructions to accommodate the retroactive adoption of these recent federal law changes concerning IRA's, education IRA's, pension plans, and deferred compensation plans early in the 2003 legislative session;
- Institute an aggressive taxpayer education program explaining the differences between current federal and state law;
- Inform taxpayers and tax professionals that the 2003 General Assembly may adopt these federal law changes retroactively early in the 2003 legislative session;
- **Encourage taxpayers and tax professionals to refrain from filing their 2002 tax returns until the General Assembly has addressed these federal law changes;**
- DFA will prepare a bill that can be pre-filed and be ready for consideration early in the 2003 legislative session to adopt these federal changes affecting IRA's, education IRA's, pension plans, and deferred compensation plans;
- If the General Assembly determines that certain provisions of the new federal law should not be adopted retroactively, DFA will abate interest and penalty assessed against taxpayers who followed the federal law changes when preparing their return.

STATE TAX DEPRECIATION PROVISION UNAFFECTED BY NEW FEDERAL LAW

Arkansas is one of several states that have not adopted the Income tax provisions contained in the federal economic stimulus bill Congress passed on March 8, 2002. In response to the tragic events of September 11, 2001 and a slowing economy, Congress passed a stimulus package to boost the national economy. One provision of this federal law permits business taxpayers to claim a 30% advanced depreciation allowance on certain assets placed into service between September 10, 2001 and September 11, 2004.

While the new depreciation provision may be used for federal returns, many states, including Arkansas, operate under a different tax code. On Arkansas income tax returns, taxpayers must file following the rules in sections 167, 168, 179, and 179A under the Internal Revenue Code of 1986, enacted January 1, 1999. Arkansas law would have to be changed during a legislative session before these new depreciation rules would apply in Arkansas.

It is estimated that Arkansas' adoption of the new federal depreciation law would decrease state revenue \$129 million during the first three years. Over the next ten years, the state would experience a revenue increase of \$105 million after the advanced depreciation is exhausted. Unlike Arkansas, some state's laws "piggy back" federal tax laws and automatically include federal changes. Many of these states have "decoupled" from the new federal laws because of the revenue decrease in the initial years of the law.

You can find more information about Arkansas tax code, or file your income tax electronically, by visiting the Department of Finance and Administration web site at www.arkansas.gov/dfa

MISSISSIPPI GAMBLING WINNINGS TAX NOT ALLOWED AS A CREDIT

The State of Mississippi has enacted a special tax that applies exclusively to gambling winnings. The Department has determined that this tax is separate and distinct from Mississippi's income tax. As such, an Arkansas taxpayer would not be able to claim a credit against his Arkansas income tax liability for payment of the gambling winnings tax to the State of Mississippi.

The tax is allowed as an itemized deduction on Line 6 of the Form AR3.

SPECIAL INFORMATION FOR 2002

NONRESIDENTS AND PART YEAR RESIDENTS FILING ON FORM AR1000NR MUST ATTACH A COPY OF THEIR COMPLETE FEDERAL RETURN. IF A COPY OF THE COMPLETE FEDERAL RETURN IS NOT ATTACHED, YOUR ARKANSAS RETURN CANNOT BE PROCESSED AND WILL BE RETURNED TO YOU.

EXTENSION TO FILE

An automatic extension of time for filing your Federal Income Tax Return may be used when you file your Arkansas Return. If you have filed Federal Form 4868, it is no longer necessary to attach that form to the return. When the return is complete and ready to file, simply check the box on the face of the Arkansas Return and mail the return prior to the final date stated on the Federal Extension. **Do not mail in an incomplete AR1000 to claim the extension to file.** For additional extensions of time, you must still attach an approved copy of the additional Federal Extension Form 2688.

INDIVIDUAL INCOME TAX OFFICES HAVE MOVED

Most of the Individual Income Tax Offices have moved to their permanent location in the renovated south end of the Joel Y. Ledbetter Building. The new room number for the Individual Income Tax Section is 2300.

The Withholding Branch of the Individual Income Tax Section is still in a temporary location pending completion of the north end of the Ledbetter Building renovation. The room number for the Withholding Section is 1362.

The mailing addresses and telephone numbers have not changed.

SET OFF REFUNDS

If you owe a debt to one of the agencies listed below or if you have filed jointly with a spouse or former spouse who does, all or part of your refund may be withheld to satisfy the debt. Agencies that may claim your refund are:

Dept. of Finance & Administration
State of Arkansas Supported Colleges
Universities, & Technical Institutes
Internal Revenue Service
Arkansas Circuit, Chancery
and Juvenile Courts

Dept. of Human Services
Dept. of Higher Education
UAMS and Affiliated Clinics
Child Support
Employment Security Department

If your refund is withheld, you will receive a letter stating which agency claimed your refund and the appropriate telephone number. You must contact the agency claiming the refund to resolve any questions or differences. Income Tax personnel will be unable to assist you regarding these matters.

Notice to Married Taxpayers

If only one of the married taxpayers owes the debt, the taxpayer who is not liable can avoid having his/her refund applied to the debt if both taxpayers file status 5, married filing separately on different returns. (See Instructions for filing Status 5).

CHECK OFF PROGRAM

If you desire to make a contribution to one or more of these programs and do not expect a refund, fill in the appropriate blank on the contribution coupon, detach and mail the coupon along with your payment to the address found on the coupon. The amount donated will be tax deductible on your 2003 State Tax Return as a charitable contribution.

ARKANSAS DISASTER RELIEF PROGRAM

Act 1181 of 1997 allows taxpayers to make a direct contribution to the Arkansas Disaster Relief Program. Donations to this program will be used by the Office of Emergency Services.

U.S. OLYMPIC COMMITTEE PROGRAM CONTRIBUTION

Act 471 of 1993 allows taxpayers to make a direct contribution to the U. S. Olympic Committee Program.

ARKANSAS SCHOOL FOR THE BLIND AND SCHOOL FOR THE DEAF

Act 1556 of 2001 allows a direct contribution to the Arkansas Schools for the Blind and Deaf. Your contribution will be divided equally between the two schools.

CONTRIBUTION COUPON

ARKANSAS DISASTER RELIEF PROGRAM..... ● CLS 1162 \$ _____

U.S. OLYMPIC COMMITTEE PROGRAM ● CLS 1145 \$ _____

ARKANSAS SCHOOL FOR THE BLIND/SCHOOL FOR THE DEAF ● CLS 1164 \$ _____

TOTAL \$ _____

NAME _____ SSN _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

Mail to: Arkansas Individual Income Tax - Accounting Branch, P.O. Box 3628, Little Rock, AR 72203-3628

ELECTRONIC FILING

Last year over 429,000 taxpayers used an electronic filing option to file their Arkansas Individual Income Tax Return. Electronic filing allows you to file your Arkansas Tax Return through a tax professional or by telephone.

FEDERAL/STATE ELECTRONIC FILING

The State of Arkansas participates in the Federal/State Electronic Filing Program for Individual Income Tax. The benefits of Electronic Filing are:

- *Simultaneous Federal/State filing* Both your Federal and State of Arkansas Income Tax Returns are filed electronically in one transmission.
- *Processing* If you file a complete and accurate return, your refund will be issued within ten (10) days **after acknowledgment**. Taxpayers with Tax Due Returns will be sent billing notices on unpaid balances as of May 15th.
- *Accuracy* Computer programs catch 98% of tax return errors before your return is received and accepted.
- *Acknowledgment* The State of Arkansas notifies your transmitter within two (2) days that your return has been received and accepted.

The program is available to full year residents, certain qualifying nonresidents and part year residents filing a 2002 Arkansas Individual Income Tax Return. However, filers that claim business and incentive tax credits are not eligible to file electronically. Electronic filing is available whether you prepare your own return or use a preparer. In addition to tax preparers, other firms are approved to offer electronic filing services. Please check with your tax preparer or electronic filing service to see if they are participating in the Federal/State program.

TELEFILE

If you receive an Arkansas TeleFile Tax Package you may be able to file your form AR1000 over the telephone. Your filing status must be single or married and you must meet all the other requirements shown in the TeleFile tax package. **You must receive a preprinted TeleFile tax package from the Revenue Division to use this service.** The benefits of TeleFile are:

- *Convenient* TeleFile is available 24 hours a day (January 10 – May 15).
- *Easy* TeleFile adds up your W-2 forms and calculates the amount of your refund or tax due during the call.
- *Free* TeleFile is a toll free call from a touch-tone telephone.

ON-LINE FILING

Over 42,000 taxpayers took advantage of On-Line Filing last year. The same advantages are obtained through on-line filing as through electronic filing but it does not require a preparer. For a nominal fee your federal and state returns are prepared and filed electronically.

PAYING YOUR TAXES BY CREDIT CARD

Taxpayers who file an Arkansas individual income tax return may now pay their tax due by credit card. Credit card payments may be made by telephone, by calling 1-800-2PAY-TAXSM (1-800-272-9829), or over the Internet by visiting www.officialpayments.com and clicking on the "Payment Center" link.

Both options will be processed by Official Payment Corp, a private credit card payment services provider. A convenience fee will be charged to your credit card for the use of this service. The State does not receive this fee. You will be informed of the exact amount of the fee before you complete your transaction. After you complete your transaction you will be given a confirmation number, which you should keep with your records.



Cards



OFFICIAL PAYMENTS CORP.



INSTRUCTIONS

THESE INSTRUCTIONS ARE FOR GUIDANCE ONLY AND DO NOT STATE THE COMPLETE LAW

A. WHO MUST FILE A TAX RETURN

1. IF YOU LIVED IN ARKANSAS IN 2002 AND IF ANY OF THESE STATEMENTS DESCRIBES YOU:
 - (a) SINGLE (under 65) and your gross income is \$7,800 or more in 2002.
 - (b) SINGLE (65 or older) and your gross income is \$9,300 or more.
 - (c) HEAD OF HOUSEHOLD (under 65) and your gross income is \$12,100 or more.
 - (d) HEAD OF HOUSEHOLD (65 and older) and your gross income is \$13,000 or more.
 - (e) MARRIED FILING JOINT (both under 65) and your gross income is \$15,500 or more.
 - (f) MARRIED FILING JOINT (one 65 and older) and your gross income is \$15,600 or more.
 - (g) MARRIED FILING JOINT (both 65 and older) and your gross income is \$16,200 or more.
 - (h) QUALIFYING WIDOW(ER) (under 65) and your gross income is \$15,500 or more.
 - (i) QUALIFYING WIDOW(ER) (65 and older) and your gross income is \$16,000 or more.
 - (j) MARRIED FILING SEPARATELY (any age) and your gross income is \$3,999 or more.
2. THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF SOMEONE WHO DIED LAST YEAR must file a tax return for the person who died if any of the conditions listed below apply to that person:
 - (a) The person was SINGLE (under 65) and earned a gross income of \$7,800 or more between January 1 and the time of death.
 - (b) The person was SINGLE (65 and older) and earned a gross income of \$9,300 or more between January 1 and the time of death.
 - (c) The person was MARRIED (both under 65) with a combined gross income of \$15,500 or more.
 - (d) The person was MARRIED (one under 65) with a combined gross income of \$15,600 or more.
 - (e) The person was MARRIED (both 65 and older) with a combined gross income of \$16,200 or more.
3. Even if you do not have to file, you should file to get a refund if Arkansas Income Tax was withheld from any payments to you.

The only way you can claim your refund is to file an Arkansas tax return.

B. WHEN TO FILE YOUR TAX RETURN

You can file your calendar year tax return any time after December 31, 2002, but NO LATER THAN MAY 15, 2003, (unless an extension has been granted). PLEASE FILE EARLY. If the State owes you a refund and you wait until APRIL 15 through MAY 15 to file, it will take longer for you to get your refund.

NOTE: *The date of the postmark stamped by the U.S. Postal Service is the date you filed your return. Be sure to apply enough postage or your return will not be delivered by the Postal Service. The Income Tax Section does not refuse mail, that is done at the Post Office.*

C. WHERE TO FILE

1. If you owe tax to the State, mail your TAX DUE RETURN and check or money order to:

Arkansas State Income Tax
P.O. Box 2144
Little Rock, AR 72203-2144

2. Make your check or money order payable to:

Department of Finance and Administration.

Be sure to write your Social Security Number on the check.

3. If you do not owe tax to the State, mail your NO TAX DUE RETURN to:

Arkansas State Income Tax
P.O. Box 8026
Little Rock, AR 72203-8026

4. If you are expecting a refund, mail your REFUND RETURN to:

Arkansas State Income Tax
P.O. Box 1000
Little Rock, AR 72203-1000

D. FORMS

The Department of Finance and Administration mails a tax booklet to most taxpayers which includes forms and instructions. If you need forms, you may get them at your county revenue office, or write:

State Income Tax Forms
P.O. Box 3628
Little Rock, AR 72203-3628

You may also obtain forms by visiting the DFA website at:

www.accessarkansas.org/dfa/

If you wish to call for forms, the numbers are:

(501) 682-1100

and Text Telephone Device (Hearing-Impaired Access):

(501) 682-4795.

E. PENALTIES

1. If you owe any additional tax, you must mail your tax return by May 15, 2003. Any return not postmarked by May 15, 2003, unless you have a valid extension, will be considered delinquent. A penalty of one percent (1%) per month for failure to pay and five percent (5%) per month for failure to file, with a maximum of thirty-five percent (35%), will be assessed on the amount of tax due.
2. In addition to any penalty assessed, a penalty of \$500 will be assessed, if any taxpayer files what purports to be a return, but the return does not contain information on which the correctness of the return may be judged, and such conduct is due to a position which is frivolous, or an effort to delay or impede the administration of any State law.
3. If you owe additional tax in excess of \$1,000, a penalty for failure to make a declaration of Estimated Tax and pay on any quarterly due date the equivalent of ninety percent (90%) of the amount actually due, or an amount equal to or greater than the tax liability of the proceeding income tax year, a penalty of ten percent (10%) will be assessed.

F. DECEASED TAXPAYER'S RETURN

A tax return should be filed for a taxpayer who died during the taxable year the same as if the taxpayer had lived. The word "DECEASED" should appear after his/her name along with the date of death.

G. DEVELOPMENTALLY DISABLED INDIVIDUAL CREDIT

To claim a credit for a developmentally disabled individual you must file a certified AR1000RC5 every five (5) years. If the credit was received on a prior year's return, you do not have to file another AR1000RC5. The Income Tax Section will notify you when you need to recertify.

If you are claiming the developmentally disabled individual credit you must file using the long form AR1000. You cannot claim the credit using the short form AR1000S.

H. DEFINITIONS

1. DOMICILE

This is the place you intend to have as your permanent home, the place you intend to return to whenever you are away. You can have only one domicile. Your domicile does not change until you move to a new location and definitely intend to make your permanent home there. If you move to a new location but intend to stay there only for a limited time (no matter how long), your domicile does not change. This also applies if you are working in a foreign country.

2. FULL YEAR RESIDENT

You are a FULL YEAR RESIDENT if you lived in Arkansas all of tax year 2002, or if you have maintained a domicile or Home of Record in Arkansas during the tax year.

3. DEPENDENTS

You may claim as a dependent any person who received over half of his or her support from you, and earned less than \$3,000 in gross income, and was your:

Child	Mother-In-Law
Stepchild	Father-In-Law
Mother	Brother-In-Law
Father	Sister-In-Law
Grandparent	Son-In-Law
Brother	Daughter-In-Law
Sister	
Grandchild	Or, if related by blood:
Stepbrother	Uncle
Stepsister	Aunt
Stepmother	Nephew
Stepfather	Niece

The term "dependent" does not apply to anyone who is a citizen, or subject of a foreign country UNLESS that person is a resident of the United States or a country that shares a United States border, such as Mexico or Canada. For the death of a dependent during the tax year, refer to Section F for instructions.

If your child/stepchild is under age 19 at the end of the year, the \$3,000 gross income limitation does not apply. Your child may have any amount of income and still be your dependent if the other dependency requirements in paragraph 3 are met.

4. STUDENT

If your child/stepchild is a student, under age 24 at the end of the calendar year, the \$3,000 gross income limitation does not apply. The other requirements in paragraph 3 still must be met.

To qualify as a student, your child must be a full-time student for five (5) months during the calendar year at a qualified school, as defined in current Internal Revenue Service directives.

5. GROSS INCOME

Gross income means any and all income (before deductions) that you receive except the kinds of income specifically described in Section I, except for items described in 7 and 8.

NOTE: *If all or part of your income is described in Section I, the described portion is exempt. You do not pay tax on it. You must read this very carefully. If any part of your income is listed in Section I, you may not use this form, you must file on Form AR1000.*

I. INCOME EXEMPT FROM TAX

1. Money you receive from a life insurance policy, because of death of the person who was insured, is exempt from tax.

NOTE: *You must include any interest payments made to you from the insurer (the insurer is the insurance company that issued the policy) as taxable income.*

2. Money you receive from LIFE INSURANCE, an ENDOWMENT, or a PRIVATE ANNUITY CONTRACT for which you paid the premiums, is allowed cost recovery pursuant to Internal Revenue Code § 72.
3. Amounts you receive as child support payments are exempt.
4. You do not pay taxes on a gift, inheritance, bequest or devise. Scholarships, grants and fellowships are exempt from tax. Stipends are taxable in their entirety.
5. Interest you receive from direct United States obligations, its possessions, the State of Arkansas, or any political subdivision of the State of Arkansas is exempt from tax. Obligations include bonds and other evidence of debt issued pursuant to a government unit's borrowing power. (Interest due on tax refunds is not exempt income because it does not result from a debt issued by the United States, or the State of Arkansas or any political subdivision of the State of Arkansas.) Interest from government securities paid to individuals through a Mutual Fund is exempt from tax.
6. Social Security benefits, VA Benefits, workers' compensation, unemployment compensation, railroad retirement benefits, and related supplemental benefits are exempt from tax.
7. Proceeds from a disability insurance policy in which you paid the premium is exempt from tax pursuant to Internal Revenue Code §104
8. If you receive U.S. Military Compensation Pay, the first \$6,000 of gross income is exempt from tax.

NOTE: *The \$6,000 exemption cannot be claimed on Form AR1000S. To claim this exemption you must use Form AR1000.*

9. If you receive income from an employer sponsored retirement plan, including disability retirement (premiums paid by your employer), or if you receive a qualified IRA distribution, the first \$6,000 is exempt from tax. Do not adjust for recovery of cost. The total exemption from all plans cannot exceed \$6,000 per taxpayer.

NOTE: *The \$6,000 exemption cannot be claimed on Form AR1000S. To claim this exemption you must use AR1000/AR1000NR.*

J. IF YOU NEED MORE TIME TO FILE

A taxpayer who requests an automatic extension of time to file his or her Federal income tax return (by filing Federal Form 4868 with the IRS) shall be entitled to receive the same extension on the taxpayer's corresponding Arkansas income tax return. In order to take advantage of the federal automatic extension for state purposes, the taxpayer must check the box on the face of the corresponding Arkansas return indicating that he or she has already filed an automatic federal extension. The Department no longer requires that a copy of Federal Form 4868 be attached to a taxpayer's state return. The automatic Extension extends the deadline to file until August 15 (for a calendar year taxpayer). When the return is complete and ready to file, simply check the box on the face of the return. A taxpayer who is granted an additional extension of time to file his or her Federal income tax return beyond the automatic four (4) month extension period shall be entitled to receive the same extension for the taxpayer's corre-

sponding Arkansas return provided they attach a copy of an approved Federal Form 2688 to the return. The additional extension extends the deadline to file until October 15th (for a calendar year taxpayer). If you do not obtain a Federal Extension, you must file Arkansas Form AR1055 before the filing due date of May 15th. Send your request to:

Manager
Income Tax Section
P.O. Box 3628
Little Rock, AR 72203-3628
Attn: Extension

NOTE: *The maximum extension that will be granted on an AR1055 is ninety (90) days - extending the due date until August 15th.*

Interest computed at ten percent (10%) per annum must be paid from May 16, 2003, to the date a return is filed if an extension is used with a tax due return.

The date of the postmark stamped by the U.S. Postal Service is the date you filed your return or request for extension.

If required, attach your approved extension(s) to the face of your tax return WHEN YOU FILE. IF YOU DO NOT ATTACH YOUR EXTENSION, YOUR RETURN WILL BE DELINQUENT AND PENALTEIS WILL BE ASSESSED. Inability to pay is not a valid reason to request an Arkansas Extension.

K. HOW TO COMPLETE YOUR ARKANSAS RETURN

STAPLE all required W-2s to your return. Use only BLUE or BLACK INK, or TYPE.

If you received your income tax return through the mail, and there is a peel-off label, use the label only if it is correct. Be sure that your name, address and Social Security Number are correct. If you are married, check both names and Social Security Numbers for accuracy. Place the label in the identification block of the tax return. If the label is not correct or you do not have a label, enter the name, address, and Social Security Numbers for you and your spouse. Be sure to enter the telephone number for your work and your home.

NOTE: *If you are married filing on the same form, and using different last names, you must separate the last names by use of a slash (/).*

EXAMPLE: John Q. and Mary M. Doe/Smith or
Mary M. & John Q. Smith/Doe

Be sure that the placement of the last name matches placement of the first name. You must be legally married to file in this manner.

FILING STATUS

DETERMINING YOUR FILING STATUS

LINE 1, Filing Status 1

Check this box if you are SINGLE or UNMARRIED and DO NOT qualify as Head of Household. (Read the section for "Line 3" to determine if you qualify for Head of Household.) Check the boxes on LINE 7A that describe you.

LINE 2, Filing Status 2

Check this box if you are MARRIED and are filing jointly. If you are filing a joint return, you must add both spouses' incomes together. Enter the total amount in "Column A" on Line 8 through Line 11 under "Your Income." Check the boxes on Line 7A that describe you.

LINE 3, Filing Status 3

To claim yourself as Head of Household you must have been unmarried or legally separated on December 31, 2002 and meet either 1 or 2 below. The term "Unmarried" includes certain married persons who live apart, as discussed below.

1. You paid over half the cost of keeping up a home for the entire year, that was the main home of your parent whom you can claim as a dependent. Your parent did not have to live with you in your home, OR
2. You paid over half the cost of keeping a home in which you lived and in which one of the following also lived for more than six (6) months of the year (temporary absences, such as vacation or school, are counted as time lived in the home):
 - a. Your unmarried child, grandchild, great-grandchild, etc., adopted child, or stepchild. This child does not have to be your dependent, but your foster child must be your dependent.
 - b. Your married child, grandchild, etc., adopted child or stepchild. This child must be your dependent.
 - c. Any other relative whom you can claim as a dependent.

Check the box on Line 3 and check the two (2) or more boxes on Line 7A that describe you.

MARRIED PERSONS WHO LIVE APART

Even if you were not divorced or legally separated in 2002, you may be considered unmarried and file as Head of Household. See Internal Revenue Service instructions for Head of Household to determine if you qualify.

MARRIED COUPLES READING THIS MAY SAVE MONEY

If you and your spouse have separate incomes, you will probably want to figure your tax separately. Couples OFTEN SAVE MONEY by figuring their tax this way. Explained below is the method to figure your taxes separately using Form AR1000S.

List your income separately under Column A (Your Income). List spouse's income separately under Column B (Spouse Income). Figure your tax separately and then add your taxes together. See the instructions for LINE 4, Filing Status 4 below. Your net result will be either a COMBINED REFUND or a COMBINED TAX DUE.

LINE 4, Filing Status 4

Check this box if you are Married and filing SEPARATELY ON THE SAME TAX RETURN. This is a method of tax computation which may reduce the tax liability if both spouses have income. The net result will be either a combined refund or a combined tax due.

LINE 5, Filing Status 5

You cannot use the AR1000S form for this filing status. (Married filing separately on different returns). Use Form AR1000/AR1000NR for this filing status.

LINE 6, Filing Status 6

Check this box if you are a QUALIFYING WIDOW(ER). Check the box or boxes that describe you on Line 7A.

To claim yourself as a QUALIFYING WIDOW(ER), you are eligible if your spouse died in 2000 or 2001, and you have not remarried and meet the following tests:

1. You were entitled to file a MARRIED FILING JOINT or MARRIED FILING SEPARATELY ON THE SAME RETURN, with your spouse for the year your spouse died. (It does not matter whether you actually filed a joint return). (See instructions for Line 5.)
2. You did not remarry before the end of the tax year.
3. You have a child, stepchild, adopted child or a foster child who qualified as your dependent for the year.
4. You paid more than half the cost of keeping up your home, which is the main home of that child for the entire year except for temporary absences.

PERSONAL TAX CREDITS

LINE 7A. You can claim additional Personal Tax Credits if you can answer "Yes" to any of these questions:

On January 1, 2003, were you 65 or older?
On December 31, 2002, were you deaf?
On December 31, 2002, were you blind?

Any taxpayer sixty-five (65) or older not claiming a retirement income exemption, is eligible for an additional \$20 (per taxpayer) tax credit. Check the block marked "65 Special".

Check the box or boxes that apply to you and/or your spouse. You CAN-NOT claim any of these credits for your children or dependents. Blindness is defined as any person who cannot tell light from darkness or whose eyesight in the better eye does not exceed 20/200 with corrective lens, or whose field of vision is limited to an angle of 20 degrees. You can claim the Deaf Credit only if the average loss in speech frequencies (500 to 2000 Hertz) in the better ear is 86 decibels, I.S.O., or worse.

Add the number of boxes you checked on Line 7A. Write the total in the box provided. Multiply the number by \$20 and write your final answer in the space provided.

LINE 7B. List the names of your dependent(s) in the spaces provided on this line. The people you can claim as dependents are described in SECTION H, number 3, of these instructions.

Add the number of boxes you checked on Line 7B. Write the total in the box provided. Multiply the number by \$20 and write your final answer in the space provided on Line 7B.

LINE 7C. Total the tax credits from Lines 7A and 7B. Enter the total on this line and on Line 16.

INCOME

Please round off all figures to the nearest dollar amounts where zeros are printed on the lines of the AR1000S. For example, if your W-2 Form shows \$10,897.50, round to \$10,898.00. If the amount on the W-2 Form is \$10,897.49, round to \$10,897.00.

LINE 8. Add the wages, salaries, tips, etc. listed on your W-2s. Write the total on this line. Be sure you staple the State copy of each of your W-2s to the front left margin of the return.

LINE 9. Interest and Dividend Income. If you have interest from bank deposits, notes, mortgages, corporation bonds, savings and loan association deposits, and credit union deposits, enter all interest received or credited to your account during the year on the line provided. If the interest amount is over \$1,500, fill out the schedule on the back of AR1000S. List the name of the payer and the amount.

If you have dividends and other distributions, enter amounts received as dividends from stocks in any corporation in the space provided. If the dividend amount is over \$1,500, fill out the schedule on the back of AR1000S. List the name of the payer and the amount.

LINE 10. If you have Miscellaneous Income, enter the amount in the space(s) provided. Attach a statement explaining the source and amount of the income. Examples of income to be reported on this line are: prizes, awards, T.V. and Radio contest winnings (cash or merchandise), and gambling winnings. You must report reimbursement of medical expenses from a previous year, if you itemized deductions and it reduced your tax. Include amounts you recovered on bad debts that you deducted in an earlier year. If the miscellaneous income requires the use of a federal schedule, you must file on Form AR1000.

LINE 11. Add Lines 8 through 10 and enter the totals in the appropriate columns on this line.

TAX COMPUTATION

LINE 12. SELECT THE PROPER TAX TABLE

You will fall into one of the two categories listed below:

- (1) You qualify for the Low Income Table
- (2) You do not qualify for the Low Income Table

YOU QUALIFY FOR THE LOW INCOME TABLE

If your adjusted gross income from all sources falls within the limits listed below, you qualify for the Low Income Table:

- \$ 0 - \$11,400 - Filing Status 1 - (Single)
- \$ 0 - \$16,200 - Filing Status 2 - (Married Filing Joint) or
Filing Status 6 - (Qualifying Widow(er) with
dependent child)
- \$ 0 - \$16,200 - Filing Status 3 - (Head of Household)

Taxpayers filing Status 4 or 5 **MAY NOT** use the Low Income Table

NOTE: If you qualify for the Low Income Table, enter zero (0) on Line 12A, then go to Line 13.

YOU DO NOT QUALIFY FOR THE LOW INCOME TABLE:

If you do not use the Low Income Tax Table, enter your standard deduction as shown below:

- Single - \$2,000 or amount of Total Income on Line 11 if less than \$2,000.
- Married Filing Joint - \$4,000 or amount of Total Income on Line 11 if less than \$4,000.
- Head of Household - \$2,000 or amount of Total Income on Line 11 if less than \$2,000.
- Married Filing Separately - \$2,000 each or amount of Total Income on Line 11 if less than \$2,000.
- Qualifying Widow(er) - \$2,000 or amount of Total Income on Line 11 if less than \$2,000.

NOTE: The \$2,000 Standard Deduction does not apply to taxpayer's dependents.

LINE 13. Subtract Line 12 [either zero (0) or the amount of your standard deduction] from Total Income Line 11 to determine your Taxable Income. Enter on Lines 13A & 13B.

LINE 14. IF YOU QUALIFY FOR THE LOW INCOME TAX TABLE, find the amount of your income on Tax Table 1. Locate the tax on your income under the column that describes your Filing Status. Enter the tax you owe on this line.

IF YOU DO NOT QUALIFY FOR THE LOW INCOME TAX TABLE, find the amount of your taxable income on Regular Table 2. Locate the tax amount and enter on Line 14A if Filing Status is 1, 2, 3, or 6. Use Lines 14A and 14B if Filing Status 4, Married Filing Separately on the same return.

NOTE: If you use this form, you cannot file married filing separately on different returns.

LINE 15. Add Lines 14A and 14B together. Enter the total in the space provided.

TAX CREDITS

LINE 16. Enter the total personal tax credits from Line 7C in the space provided.

LINE 17. Working Taxpayer Credit. See General Instructions on form AR1328. Enter Working Taxpayer Credit from Line 8, AR1328.

TAXPAYERS WHO DO NOT QUALIFY TO USE THE WORKING TAXPAYER CREDIT:

Taxpayers who use the Low Income Table. The Working Taxpayer Credit is already calculated in the Low Income Tax Table so those taxpayers using this table need not calculate the credit.

LINE 18. Child Care Credit allowed on the Arkansas Return is computed by taking TWENTY PERCENT (20%) of the amount taken on your Federal Return. A copy of the "Credit for Child and Dependent Care Expenses" Federal Form 2441 or a copy of your 1040A, Schedule 2 must be attached to your Arkansas Return. If this credit is for approved early childhood credit, see instructions for Line 22.

LINE 19. Add Lines 16, 17, and 18. Enter the amount in the space provided.

LINE 20. Subtract Line 19 from Line 15. This is your net tax. If Line 19 is greater than Line 15 enter zero (0).

PAYMENTS

LINE 21. Arkansas State Income Tax withheld is listed on your W-2(s). You have already paid this amount of tax during the year. Write the total in the space provided. Securely attach State copy(s) of your W-2(s).

IF YOU AND YOUR SPOUSE ARE FILING ON THE SAME RETURN, add the Arkansas State Income Tax withheld on both your W-2s. Enter combined total in the space provided. Securely attach State copy(s) of your W-2s.

WHAT TO DO IF YOU DO NOT HAVE A W-2(s)

If you do not receive (or lost) your W-2(s) and if Arkansas tax was withheld from your income, ask your employer(s) for copies of your W-2(s). If you have made a reasonable effort to get your W-2(s) and you still do not have one, complete a Federal Form 4852. On the Federal Form 4852, write the amount of State Income Tax withheld. Attach it securely to your State Return. You will also need to attach a copy of your payroll stub or other documentation to support your figures.

CAUTION: *You WILL NOT receive credit for tax withheld or receive a tax refund, unless you attach the CORRECT AND LEGIBLE W-2(s) or explanations to your tax return.*

DO NOT include FICA, Federal Income Tax, or tax paid to another state in the amount you write on Line 21.

DO NOT try to correct a W-2 yourself. Your employer must issue you a corrected W-2. If ARKANSAS State Tax was withheld in error, your employer must refund it to you.

LINE 22. Enter approved Early Childhood Credit equal to twenty percent (20%) of the Federal Child Care Credit to individuals with a dependent child which is placed in an approved child care facility so that the parent or guardian may seek gainful employment. An approved child care facility is a facility approved by the Arkansas Department of Education as having an appropriate Early Childhood Program as defined by Arkansas law. Enter certification number on this line where indicated and attach Federal Form 2441 or 1040A, [twenty percent (20%) of Federal Credit allowed] and Certification Form AR1000EC. **Contact your child care facility for Form AR1000EC.**

LINE 23. Add Lines 21 and 22. Enter the amount in the space provided.

FIGURE YOUR TAX DUE OR TAX REFUND

LINE 24. If Line 23 is greater than Line 20 of the AR1000S you overpaid your tax. Write the difference on this line. This is your overpayment. If you want a refund only, skip Lines 25, 26 and 27 and enter the amount of refund on Line 28.

LINE 25. If you wish to contribute a portion or all of your overpayment to the Arkansas Disaster Relief Program, enter the amount of the donation on this line.

LINE 26. If you wish to contribute a portion or all of your overpayment to the U. S. Olympic Fund, enter the amount of the donation on this line.

LINE 27. If you wish to contribute a portion or all of your overpayment to the Arkansas Schools for the Blind and Deaf, enter the amount of the donation on this line.

PLEASE NOTE THAT THE AMOUNT(S) ENTERED ON LINES 25, 26, and 27, WILL BE DEDUCTED FROM THE AMOUNT OF OVERPAYMENT LISTED ON LINE 24. Your net refund (if any) after this contribution will be mailed to you. The amount(s) contributed to these funds may be deducted as a charitable contribution if you itemize your deductions for tax year 2003.

LINE 28. Subtract Lines 25, 26, and 27 from Line 24 and enter on this line. This is the amount to be refunded to you. If your refund is less than one dollar (\$1), you must write a letter requesting the refund.

SET OFF REFUNDS

If you, your spouse or a former spouse owes a debt to the Department of Finance and Administration, State supported colleges, universities, and technical institutes, Child Support, the Department of Human Services, the Department of Higher Education, Arkansas Circuit, Juvenile and Chancery Courts, or the Employment Security Department, and you have filed an Arkansas State Income Tax return, your refund is subject to being withheld in order to satisfy the debt. You may have all or part of your Income Tax Refund withheld.

If your refund has been applied to a debt with one of these agencies, you will receive a letter advising which agency has claimed all or part of your refund. If the debt has already been satisfied, it is the agency's responsibility to refund any Set Off amount paid to the agency in error. Contact the agency at the telephone number furnished to you on your "Adjustment Letter" to resolve any questions or differences.

NOTICE TO MARRIED TAXPAYERS

If only one of the married taxpayers owes the debt, the taxpayer who is not liable can avoid having his/her refund applied to the debt if both taxpayers file Status 5, married filing separately on different returns.

LINE 29. If not enough tax was withheld, the amount on Line 20 will be larger than the amount on Line 23. Subtract Line 23 from Line 20 and enter the result on this line. This is the amount you owe. If Line 29 is less than one dollar (\$1), you do not have to pay it.

Attach a check or money order to your return. Make your check payable to: Department of Finance and Administration. **Write your Social Security Number, daytime phone number, and "2002 Form AR1000S" on your check or money order.**

NOTE: *Do not send currency or coin by mail. Postage stamps are not accepted.*

There is a penalty for not paying enough tax during the year. You may have to pay a penalty if:

The amount you owe (Line 29) is \$1,000, or more, and

The amount of Arkansas income tax withheld (Line 21) is less than ninety percent (90%) of the amount of your tax (Line 20).

You may choose to have our office figure the penalty for you. If you owe a penalty, we will send you a bill. However, if you want to figure the penalty yourself, you must use Form AR1000 and Form AR2210 to do so. The penalty may be waived under certain conditions. See Form AR2210 instructions for details.

DO NOT FORGET TO SIGN AND DATE YOUR TAX RETURN

Your tax return will not be legal and can not be processed unless you SIGN IT. Write in the DATE. If you and your spouse are filing a joint tax return or filing separately on the same return, both of you must sign it. If someone prepares your return, that person must complete the Preparer Information section on the bottom of the form.

IN CASE THE IRS AUDITS YOU

If the Internal Revenue Service examines your return for any tax year and changes your net taxable income, you must, within thirty (30) days from the receipt of the notice and demand for payment by the Internal Revenue Service, report to the Arkansas Department of Finance and Administration on an amended Arkansas Income tax return the corrected federal tax, taxable income, or taxable estate for the taxable period covered by the change.

File an amended return for the year(s) involved. The tax due or refund due must be shown on Form AR1000A. Attach a copy of the Federal Changes to your amended return.

If you fail to notify this Department in thirty (30) days and do not file the required amended return, the Statute of Limitations will remain open for eight (8) years on the year(s) in question. Additional interest will be added on any tax you owe the State of Arkansas.

IF YOU HAVE QUESTIONS ABOUT YOUR TAX RETURN OR REFUND

If you have any questions when you fill out your Individual Income Tax Return, please let us know. Here are some addresses and phone numbers you can use:

TAX OR REFUND INFORMATION

IF YOU LIVE IN PULASKI COUNTY

Phone (501) 682-0200 or come by our office:

Joel Y. Ledbetter Building, Room 2300
7th and Wolfe
Little Rock, Arkansas

IF YOU LIVE OUTSIDE PULASKI COUNTY

Phone (at no cost to you) 1-800-438-1992

This service is available 24 hours a day, 7 days a week. The Income Tax Section does not accept collect calls.

Correspondence about your AR1000 must be addressed to:

Individual Income Tax
P.O. Box 3628
Little Rock, AR 72203-3628

Include your Social Security Number when making any inquiry about your return.

INDIVIDUAL INCOME TAX INFORMATION HOT-LINE

(501) 682-1100 or 1-800-882-9275 (In Arkansas Only)

This system is designed to allow taxpayers to access general information about filing 24 hours a day. Personal assistance will be available during our normal business hours (Monday through Friday – 8:00 am to 4:30 pm). The areas that can be reached by this system are as follows:

Taxpayer Assistance Branch	Forms Group
Refund Group	Amended Group
Audit & Examination Branch	Delinquent Income Tax Group

Hearing Impaired Access for Information, Assistance, and Forms (501) 682-4795

This number can only be reached by use of a Text Telephone Device.

ADDITIONAL INDIVIDUAL INCOME TAX SECTION TELEPHONE NUMBERS

Estate Tax Information (501) 682-7235
Estimated Tax Branch (501) 682-7272
Withholding Tax Branch (501) 682-7290

OTHER USEFUL TELEPHONE NUMBERS

Corporate Income Tax Information (501) 682-4775
Franchise Tax Information, Corporate (501) 682-3409
Internal Revenue Service
Assistance 1-800-829-1040
Forms 1-800-829-3676
Sales & Use Tax Information (501) 682-7104

2002 Low Income Tax Table

QUALIFICATIONS:

1. Your total income from all sources must fall within the limits of this table based on your filing status.
2. Married couples must file a joint return (Filing Status 2) in order to qualify to use this table.
3. Find your total income from Line 11, AR1000S in the table below. Your tax is listed to the right of this amount. Enter the tax amount on Line 14, AR1000S.
4. If you use the \$6,000 exclusion for military compensation pay or any employer sponsored pension income, you do not qualify.
5. If you itemize your deductions or take the standard deduction, you must use the Regular Tax Table 2.

Single Taxpayer (FILING Status 1)		
IF YOUR ADJUSTED GROSS INCOME IS		TAX
FROM	TO	
0	7,800	0
7,801	7,900	21.00
7,901	8,000	22.00
8,001	8,100	33.00
8,101	8,200	35.00
8,201	8,300	36.00
8,301	8,400	38.00
8,401	8,500	39.00
8,501	8,600	41.00
8,601	8,700	42.00
8,701	8,800	44.00
8,801	8,900	45.00
8,901	9,000	47.00
9,001	9,100	48.00
9,101	9,200	50.00
9,201	9,300	51.00
9,301	9,400	79.00
9,401	9,500	81.00
9,501	9,600	83.00
9,601	9,700	85.00
9,701	9,800	87.00
9,801	9,900	89.00
9,901	10,000	91.00
10,001	10,100	94.00
10,101	10,200	96.00
10,201	10,300	98.00
10,301	10,400	100.00
10,401	10,500	102.00
10,501	10,600	104.00
10,601	10,700	106.00
10,701	10,800	108.00
10,801	10,900	110.00
10,901	11,000	112.00
11,001	11,100	115.00
11,101	11,200	118.00
11,201	11,300	120.00
11,301	11,400 *	123.00

*Above \$11,400, use Standard or Itemized Deductions and Regular Tax Table 2

Head of Household (FILING STATUS 3)		
IF YOUR ADJUSTED GROSS INCOME IS		TAX
FROM	TO	
0	12,100	0
12,101	12,200	42.00
12,201	12,300	43.00
12,301	12,400	44.00
12,401	12,500	45.00
12,501	12,600	46.00
12,601	12,700	47.00
12,701	12,800	48.00
12,801	12,900	49.00
12,901	13,000	50.00
13,001	13,100	84.00
13,101	13,200	85.00
13,201	13,300	87.00
13,301	13,400	88.00
13,401	13,500	90.00
13,501	13,600	91.00
13,601	13,700	93.00
13,701	13,800	94.00
13,801	13,900	96.00
13,901	14,000	97.00
14,001	14,100	99.00
14,101	14,200	100.00
14,201	14,300	102.00
14,301	14,400	103.00
14,401	14,500	105.00
14,501	14,600	106.00
14,601	14,700	108.00
14,701	14,800	109.00
14,801	14,900	111.00
14,901	15,000	112.00
15,001	15,100	114.00
15,101	15,200	115.00
15,201	15,300	203.00
15,301	15,400	205.00
15,401	15,500	208.00
15,501	15,600	210.00
15,601	15,700	213.00
15,701	15,800	215.00
15,801	15,900	218.00
15,901	16,000	220.00
16,001	16,100	223.00
16,101	16,200 *	225.00

*Above \$16,200, use Standard or Itemized Deductions and Regular Tax Table 2

Married Filing Joint/Qualifying Widow(er) (FILING STATUS 2 or 6)		
IF YOUR ADJUSTED GROSS INCOME IS		TAX
FROM	TO	
0	15,500	0
15,501	15,600	80.00
15,601	15,700	81.00
15,701	15,800	83.00
15,801	15,900	84.00
15,901	16,000	86.00
16,001	16,100	116.00
16,101	16,200 *	118.00

*Above \$16,200, use Standard or Itemized Deductions and Regular Tax Table 2

2002 Regular Tax Table 2

Instructions:

- Find your taxable income from Line 13, AR1000S in the table below. Your tax is listed to the right of this amount. Enter the tax amount on Line 14.
- Married couples must use the same filing status and tax table - if one spouse uses the Regular Tax Table 2 then both must use the Regular Tax Table 2.
- Be sure to subtract your standard deduction from Line 13 before using the tax table.

If Your Income, Line 13, is		YOUR TAX IS	If Your Income, Line 13, is		YOUR TAX IS	If Your Income, Line 13, is		YOUR TAX IS
As Much As	But Less Than		As Much As	But Less Than		As Much As	But Less Than	
			5,000			10,000		
0	100	1	5,000	5,100	77	10,000	10,100	238
100	200	2	5,100	5,200	79	10,100	10,200	242
200	300	3	5,200	5,300	82	10,200	10,300	247
300	400	4	5,300	5,400	84	10,300	10,400	251
400	500	5	5,400	5,500	87	10,400	10,500	256
500	600	6	5,500	5,600	89	10,500	10,600	260
600	700	7	5,600	5,700	92	10,600	10,700	265
700	800	8	5,700	5,800	94	10,700	10,800	269
800	900	9	5,800	5,900	97	10,800	10,900	274
900	1,000	10	5,900	6,000	99	10,900	11,000	278
1,000			6,000			11,000		
1,000	1,100	11	6,000	6,100	102	11,000	11,100	283
1,100	1,200	12	6,100	6,200	104	11,100	11,200	287
1,200	1,300	13	6,200	6,300	107	11,200	11,300	292
1,300	1,400	14	6,300	6,400	109	11,300	11,400	296
1,400	1,500	15	6,400	6,500	112	11,400	11,500	301
1,500	1,600	16	6,500	6,600	114	11,500	11,600	305
1,600	1,700	17	6,600	6,700	117	11,600	11,700	310
1,700	1,800	18	6,700	6,800	121	11,700	11,800	314
1,800	1,900	19	6,800	6,900	124	11,800	11,900	319
1,900	2,000	20	6,900	7,000	128	11,900	12,000	323
2,000			7,000			12,000		
2,000	2,100	21	7,000	7,100	131	12,000	12,100	328
2,100	2,200	22	7,100	7,200	135	12,100	12,200	332
2,200	2,300	23	7,200	7,300	138	12,200	12,300	337
2,300	2,400	24	7,300	7,400	142	12,300	12,400	341
2,400	2,500	25	7,400	7,500	145	12,400	12,500	346
2,500	2,600	26	7,500	7,600	149	12,500	12,600	350
2,600	2,700	27	7,600	7,700	152	12,600	12,700	355
2,700	2,800	28	7,700	7,800	156	12,700	12,800	359
2,800	2,900	29	7,800	7,900	159	12,800	12,900	364
2,900	3,000	30	7,900	8,000	163	12,900	13,000	368
3,000			8,000			13,000		
3,000	3,100	31	8,000	8,100	166	13,000	13,100	373
3,100	3,200	32	8,100	8,200	170	13,100	13,200	377
3,200	3,300	33	8,200	8,300	173	13,200	13,300	382
3,300	3,400	34	8,300	8,400	177	13,300	13,400	386
3,400	3,500	37	8,400	8,500	180	13,400	13,500	391
3,500	3,600	39	8,500	8,600	184	13,500	13,600	395
3,600	3,700	42	8,600	8,700	187	13,600	13,700	400
3,700	3,800	44	8,700	8,800	191	13,700	13,800	404
3,800	3,900	47	8,800	8,900	194	13,800	13,900	409
3,900	4,000	49	8,900	9,000	198	13,900	14,000	413
4,000			9,000			14,000		
4,000	4,100	52	9,000	9,100	201	14,000	14,100	418
4,100	4,200	54	9,100	9,200	205	14,100	14,200	422
4,200	4,300	57	9,200	9,300	208	14,200	14,300	427
4,300	4,400	59	9,300	9,400	212	14,300	14,400	431
4,400	4,500	62	9,400	9,500	215	14,400	14,500	436
4,500	4,600	64	9,500	9,600	219	14,500	14,600	440
4,600	4,700	67	9,600	9,700	222	14,600	14,700	445
4,700	4,800	69	9,700	9,800	226	14,700	14,800	449
4,800	4,900	72	9,800	9,900	229	14,800	14,900	454
4,900	5,000	74	9,900	10,000	233	14,900	15,000	458

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If Your Income, Line 13, is		YOUR TAX IS	If Your Income, Line 13, is		YOUR TAX IS	If Your Income, Line 13, is		YOUR TAX IS
As Much As	But Less Than		As Much As	But Less Than		As Much As	But Less Than	
15,000			21,000			27,000		
15,000	15,100	463	21,000	21,100	801	27,000	27,100	1,161
15,100	15,200	467	21,100	21,200	807	27,100	27,200	1,167
15,200	15,300	472	21,200	21,300	813	27,200	27,300	1,173
15,300	15,400	476	21,300	21,400	819	27,300	27,400	1,179
15,400	15,500	481	21,400	21,500	825	27,400	27,500	1,185
15,500	15,600	485	21,500	21,600	831	27,500	27,600	1,192
15,600	15,700	490	21,600	21,700	837	27,600	27,700	1,199
15,700	15,800	494	21,700	21,800	843	27,700	27,800	1,206
15,800	15,900	499	21,800	21,900	849	27,800	27,900	1,213
15,900	16,000	503	21,900	22,000	855	27,900	28,000	1,220
16,000			22,000			28,000		
16,000	16,100	508	22,000	22,100	861	28,000	28,100	1,227
16,100	16,200	512	22,100	22,200	867	28,100	28,200	1,234
16,200	16,300	517	22,200	22,300	873	28,200	28,300	1,241
16,300	16,400	521	22,300	22,400	879	28,300	28,400	1,248
16,400	16,500	526	22,400	22,500	885	28,400	28,500	1,255
16,500	16,600	531	22,500	22,600	891	28,500	28,600	1,262
16,600	16,700	537	22,600	22,700	897	28,600	28,700	1,269
16,700	16,800	543	22,700	22,800	903	28,700	28,800	1,276
16,800	16,900	549	22,800	22,900	909	28,800	28,900	1,283
16,900	17,000	555	22,900	23,000	915	28,900	29,000	1,290
17,000			23,000			29,000		
17,000	17,100	561	23,000	23,100	921	29,000	29,100	1,297
17,100	17,200	567	23,100	23,200	927	29,100	29,200	1,304
17,200	17,300	573	23,200	23,300	933	29,200	29,300	1,311
17,300	17,400	579	23,300	23,400	939	29,300	29,400	1,318
17,400	17,500	585	23,400	23,500	945	29,400	29,500	1,325
17,500	17,600	591	23,500	23,600	951	29,500	29,600	1,332
17,600	17,700	597	23,600	23,700	957	29,600	29,700	1,339
17,700	17,800	603	23,700	23,800	963	29,700	29,800	1,346
17,800	17,900	609	23,800	23,900	969	29,800	29,900	1,353
17,900	18,000	615	23,900	24,000	975	29,900	30,000	1,360
18,000			24,000			30,000		
18,000	18,100	621	24,000	24,100	981	30,000	30,100	1,367
18,100	18,200	627	24,100	24,200	987	30,100	30,200	1,374
18,200	18,300	633	24,200	24,300	993	30,200	30,300	1,381
18,300	18,400	639	24,300	24,400	999	30,300	30,400	1,388
18,400	18,500	645	24,400	24,500	1,005	30,400	30,500	1,395
18,500	18,600	651	24,500	24,600	1,011	30,500	30,600	1,402
18,600	18,700	657	24,600	24,700	1,017	30,600	30,700	1,409
18,700	18,800	663	24,700	24,800	1,023	30,700	30,800	1,416
18,800	18,900	669	24,800	24,900	1,029	30,800	30,900	1,423
18,900	19,000	675	24,900	25,000	1,035	30,900	31,000	1,430
19,000			25,000			31,000		
19,000	19,100	681	25,000	25,100	1,041	31,000	31,100	1,437
19,100	19,200	687	25,100	25,200	1,047	31,100	31,200	1,444
19,200	19,300	693	25,200	25,300	1,053	31,200	31,300	1,451
19,300	19,400	699	25,300	25,400	1,059	31,300	31,400	1,458
19,400	19,500	705	25,400	25,500	1,065	31,400	31,500	1,465
19,500	19,600	711	25,500	25,600	1,071	31,500	31,600	1,472
19,600	19,700	717	25,600	25,700	1,077	31,600	31,700	1,479
19,700	19,800	723	25,700	25,800	1,083	31,700	31,800	1,486
19,800	19,900	729	25,800	25,900	1,089	31,800	31,900	1,493
19,900	20,000	735	25,900	26,000	1,095	31,900	32,000	1,500
20,000			26,000			32,000		
20,000	20,100	741	26,000	26,100	1,101	32,000	32,100	1,507
20,100	20,200	747	26,100	26,200	1,107	32,100	32,200	1,514
20,200	20,300	753	26,200	26,300	1,113	32,200	32,300	1,521
20,300	20,400	759	26,300	26,400	1,119	32,300	32,400	1,528
20,400	20,500	765	26,400	26,500	1,125	32,400	32,500	1,535
20,500	20,600	771	26,500	26,600	1,131	32,500	32,600	1,542
20,600	20,700	777	26,600	26,700	1,137	32,600	32,700	1,549
20,700	20,800	783	26,700	26,800	1,143	32,700	32,800	1,556
20,800	20,900	789	26,800	26,900	1,149	32,800	32,900	1,563
20,900	21,000	795	26,900	27,000	1,155	32,900	33,000	1,570

2002 Regular Tax Table 2

If Your Income, Line 13, is		YOUR TAX IS	If Your Income, Line 13, is		YOUR TAX IS	If Your Income, Line 13, is		YOUR TAX IS
As Much As	But Less Than		As Much As	But Less Than		As Much As	But Less Than	
33,000			39,000			45,000		
33,000	33,100	1,577	39,000	39,100	1,997	45,000	45,100	2,417
33,100	33,200	1,584	39,100	39,200	2,004	45,100	45,200	2,424
33,200	33,300	1,591	39,200	39,300	2,011	45,200	45,300	2,431
33,300	33,400	1,598	39,300	39,400	2,018	45,300	45,400	2,438
33,400	33,500	1,605	39,400	39,500	2,025	45,400	45,500	2,445
33,500	33,600	1,612	39,500	39,600	2,032	45,500	45,600	2,452
33,600	33,700	1,619	39,600	39,700	2,039	45,600	45,700	2,459
33,700	33,800	1,626	39,700	39,800	2,046	45,700	45,800	2,466
33,800	33,900	1,633	39,800	39,900	2,053	45,800	45,900	2,473
33,900	34,000	1,640	39,900	40,000	2,060	45,900	46,000	2,480
34,000			40,000			46,000		
34,000	34,100	1,647	40,000	40,100	2,067	46,000	46,100	2,487
34,100	34,200	1,654	40,100	40,200	2,074	46,100	46,200	2,494
34,200	34,300	1,661	40,200	40,300	2,081	46,200	46,300	2,501
34,300	34,400	1,668	40,300	40,400	2,088	46,300	46,400	2,508
34,400	34,500	1,675	40,400	40,500	2,095	46,400	46,500	2,515
34,500	34,600	1,682	40,500	40,600	2,102	46,500	46,600	2,522
34,600	34,700	1,689	40,600	40,700	2,109	46,600	46,700	2,529
34,700	34,800	1,696	40,700	40,800	2,116	46,700	46,800	2,536
34,800	34,900	1,703	40,800	40,900	2,123	46,800	46,900	2,543
34,900	35,000	1,710	40,900	41,000	2,130	46,900	47,000	2,550
35,000			41,000			47,000		
35,000	35,100	1,717	41,000	41,100	2,137	47,000	47,100	2,557
35,100	35,200	1,724	41,100	41,200	2,144	47,100	47,200	2,564
35,200	35,300	1,731	41,200	41,300	2,151	47,200	47,300	2,571
35,300	35,400	1,738	41,300	41,400	2,158	47,300	47,400	2,578
35,400	35,500	1,745	41,400	41,500	2,165	47,400	47,500	2,585
35,500	35,600	1,752	41,500	41,600	2,172	47,500	47,600	2,592
35,600	35,700	1,759	41,600	41,700	2,179	47,600	47,700	2,599
35,700	35,800	1,766	41,700	41,800	2,186	47,700	47,800	2,606
35,800	35,900	1,773	41,800	41,900	2,193	47,800	47,900	2,613
35,900	36,000	1,780	41,900	42,000	2,200	47,900	48,000	2,620
36,000			42,000			48,000		
36,000	36,100	1,787	42,000	42,100	2,207	48,000	48,100	2,627
36,100	36,200	1,794	42,100	42,200	2,214	48,100	48,200	2,634
36,200	36,300	1,801	42,200	42,300	2,221	48,200	48,300	2,641
36,300	36,400	1,808	42,300	42,400	2,228	48,300	48,400	2,648
36,400	36,500	1,815	42,400	42,500	2,235	48,400	48,500	2,655
36,500	36,600	1,822	42,500	42,600	2,242	48,500	48,600	2,662
36,600	36,700	1,829	42,600	42,700	2,249	48,600	48,700	2,669
36,700	36,800	1,836	42,700	42,800	2,256	48,700	48,800	2,676
36,800	36,900	1,843	42,800	42,900	2,263	48,800	48,900	2,683
36,900	37,000	1,850	42,900	43,000	2,270	48,900	49,000	2,690
37,000			43,000			49,000		
37,000	37,100	1,857	43,000	43,100	2,277	49,000	49,100	2,697
37,100	37,200	1,864	43,100	43,200	2,284	49,100	49,200	2,704
37,200	37,300	1,871	43,200	43,300	2,291	49,200	49,300	2,711
37,300	37,400	1,878	43,300	43,400	2,298	49,300	49,400	2,718
37,400	37,500	1,885	43,400	43,500	2,305	49,400	49,500	2,725
37,500	37,600	1,892	43,500	43,600	2,312	49,500	49,600	2,732
37,600	37,700	1,899	43,600	43,700	2,319	49,600	49,700	2,739
37,700	37,800	1,906	43,700	43,800	2,326	49,700	49,800	2,746
37,800	37,900	1,913	43,800	43,900	2,333	49,800	49,900	2,753
37,900	38,000	1,920	43,900	44,000	2,340	49,900	50,000	2,760
38,000			44,000			PLEASE NOTE: For \$50,000 and over, \$2,760 + 7% of the excess over \$50,000.		
38,000	38,100	1,927	44,000	44,100	2,347			
38,100	38,200	1,934	44,100	44,200	2,354			
38,200	38,300	1,941	44,200	44,300	2,361			
38,300	38,400	1,948	44,300	44,400	2,368			
38,400	38,500	1,955	44,400	44,500	2,375			
38,500	38,600	1,962	44,500	44,600	2,382			
38,600	38,700	1,969	44,600	44,700	2,389			
38,700	38,800	1,976	44,700	44,800	2,396			
38,800	38,900	1,983	44,800	44,900	2,403			
38,900	39,000	1,990	44,900	45,000	2,410			

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